

Document: Notice of Intent to Adopt a Rule, **Register Page Number:** 25 IR 1197

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**TITLE 540 INDIANA EDUCATION SAVINGS
AUTHORITY**

LSA Document #01-428

Under IC 4-22-2-23, the Indiana Education Savings Authority intends to adopt a rule concerning the following:

OVERVIEW: Adds 540 IAC 1-1-7.5, 540 IAC 1-1-10.5, 540 IAC 1-1-11.6, and 540 IAC 1-1-16.5 to define certain words and phrases used in the rules of the Indiana education savings authority. Adds 540 IAC 1-8-3.5 concerning the manner in which a contributor, other than the account owner, may make a contribution to the account of the account owner. Adds 540 IAC 1-9-2.5 concerning the reasons for which an account may be administratively canceled by the program administrator as directed by the board. Adds 540 IAC 1-9-2.6 concerning the delay of program benefits due to the interruption of academic period attendance by the beneficiary and notification to delay program benefits submitted to the authority by the account owner. Adds 540 IAC 1-9-2.7 concerning the cancellation notice and procedure required by the authority when administratively canceling an account. Adds 540 IAC 1-10-4 permitting a rollover of an account as directed by the account owner. Amends 540 IAC 1-1-3, 540 IAC 1-1-4, 540 IAC 1-1-6, 540 IAC 1-1-7, 540 IAC 1-1-9, 540 IAC 1-1-11.5, 540 IAC 1-1-12, 540 IAC 1-1-13, 540 IAC 1-1-14, 540 IAC 1-1-16, 540 IAC 1-5-1, 540 IAC 1-6-1, 540 IAC 1-8-1, and 540 IAC 1-8-2 to simplify and clarify the language of those rules. Amends 540 IAC 1-7-1 to remove the administrative fee charge when a new account is opened. Amends 540 IAC 1-7-2 concerning the manner in which the administrator fee charge is computed and allocated to participants. Amends 540 IAC 1-8-4 to permit the board of the authority to establish a methodology or formula for establishing the maximum account balance. Amends 540 IAC 1-9-1 to remove the administrative fee charge for cancellation of an account. Amends 540 IAC 1-9-3 concerning refunds due to cancellation by an account owner and to permit an account owner to direct refunds due to the beneficiary. Amends 540 IAC 1-10-1 limiting benefit payments to be made only once a month and subject to a minimum distribution amount. Amends 540 IAC 1-12-2 authorizing an account owner or beneficiary to direct the investment of account contributions and earnings. Repeals 540 IAC 1-3-2, 540 IAC 1-5-2, 540 IAC 1-6-2, 540 IAC 1-7-3, 540 IAC 1-8-5, 540 IAC 1-8-6, 540 IAC 1-8-7, 540 IAC 1-9-2, 540 IAC 1-20-1.5, 540 IAC 1-20-1.6, and 540 IAC 1-20-3. Public comments are invited. Comments by the public should be sent to: Indiana Education Savings Authority, One North Capitol, Suite 444, Indianapolis, Indiana 46204. Statutory authority: IC 21-9-4-7.